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***Re: Federal Update – Special Alert***

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## **New Appropriations Bill Spells Relief for Some Strained Federal Programs**

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House and Senate Appropriators unveiled a massive \$1.1 trillion spending bill last night which would finalize federal funding for the remainder of fiscal year (FY) 2014. The legislation is the product of long, contentious, and largely secretive negotiations which continued over the holidays. Reporters and advocates, and even some members of Congress, were kept in the dark regarding program-level funding discussions. Negotiators reportedly faced a number of hurdles in negotiating the Labor-Health and Human Services-Education appropriations account because of conflicting priorities on health care, abortion, and early childhood education.

As expected, the final bill increases spending in most programs nearly to pre-sequestration FY 2013 levels. This means no additional cuts for federal program funds in the current fiscal year – and in many cases, program grantees will see some extra dollars in their next funding allocation.

Title I of the Elementary and Secondary Education Act (ESEA) will be funded at \$14.4 billion dollars across FY 2014, an increase of \$624 million over sequestration, but still \$103 million less than pre-sequester FY 2013 levels. Migrant Education will see a \$2 million boost, and education for homeless children and youth will see an increase of about \$3.3 million. The bill includes a new provision which clarifies that Title I funds may be used to address the transportation needs of homeless youth and fund homeless liaison programs. Existing Charter School Grant Program assurances – first outlined in the FY 2010 appropriations bill – have been restated here, reinforcing Congressional intent. State grants under the Individuals with Disabilities Education Act (IDEA) will see an increase of nearly \$500 million over final FY 2013 funding, for a total appropriation of \$11.5 billion (though this amount is still about \$82 million less than pre-sequester FY 2013 levels).

The bill provides renewed funding for School Improvement Grants (SIG) at \$505 million, but that money comes with some strings attached. The U.S. Department of Education (ED) must allow States to pick from one of the four original SIG “models,” another model as approved by ED, or a new “whole school reform” model in which schools partner with outside organizations that have a proven track record in turning around low-performing schools. These changes closely mirror adjustments made in ESEA reauthorization legislation introduced in the Senate last year.

Impact Aid is among the big winners in this bill. The program will see an increase of nearly \$65 million, putting total funding levels at \$1.3 billion – topping even pre-sequestration FY 2013 levels. Head Start is another big winner, with a funding increase of \$612 million. That amount brings total program funding to \$8.6 million – enough to restore all sequestration cuts, give grantees a 1.3% cost of living adjustment, and add \$500 million to the Early Head Start program.

The White House had requested funding for a new \$750 million preschool development grant – intended to serve as a precursor to its proposed universal pre-kindergarten program. This plan did not get a green light from appropriators, but Senate Democrats did push successfully for a new early-education round of Race to the Top. That program dedicates \$250 million in new competitive grant funding for developing or expanding high-quality preschool programs for four-year-olds under 200% of the Federal Poverty Level. “The funding announced today makes critical investments in early learning because we know that learning begins at birth and preparation for learning begins before birth,” said Sen. Tom Harkin (D-IA), reportedly one of the program’s biggest advocates in the Senate Appropriations Committee.

The maximum available Pell grant will increase to \$5,730 under the legislation, though total funding for the Pell program will not see an increase. Many higher education programs, however, will see a boost. The

Supplemental Educational Opportunity Grants (SEOG) will see an increase of \$36 million over FY 2013, Federal TRIO Programs will receive an additional \$42 million, and GEAR UP programs will be boosted by \$15 million. There is also a new \$75 million allocation for First in the World grants to develop innovative approaches to lowering college prices or improving outcomes. Twenty million of that money would be set aside for minority-serving institutions

Career and Technical Education State Grants will see an increase of \$53 million in the bill, for an FY 2014 total of \$1.12 billion. Perkins and AEFLA programs will be funded at \$1.7 billion, up about \$54 million from FY 2013 levels. Funding for Adult Basic and Literacy Education State Grants will hold steady at \$563 million, while the English Language/Civics Education grant will be funded at \$70.8 million.

Though Education was the target of many funding increases, Department of Labor programs took a funding cut of \$449 million below pre-sequestration FY 2013 levels. The biggest cut was to the Employment and Training Administration – though Job Corps programs will still see about \$75 million more than under sequestration.

Both chambers will now turn to other legislation – rules in both the House and Senate require that legislation “cools” for a certain period of time between introduction and debate. A vote is expected on a stopgap suspension bill, which will keep the federal government running once the current measure expires on Wednesday, is expected in the House of Representatives today. Final action on the appropriations bill could happen as early as Thursday or Friday – certainly before Congress heads home for the weekend. Once spending levels are finalized, federal agencies will begin to break down those numbers for States and school districts.

The [text of the appropriations bill is available here](#).

Resources:

Alyson Klein, “Boosts for Head Start, Title I, Special Education in Federal Funding Bill,” *Politics K-12*, January 13, 2014.

Carolyn Phenicie, “Education: Appropriators Prioritize Preschool, Head Start Programs,” *CQ Roll Call*, January 13, 2014.

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